

## **CEP Discussion Paper No 731**

**July 2006**

### **What Voice Do British Workers Want?**

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**The Leverhulme Trust**

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Registered Charity No: 288371

**Abstract**

The problems/need for representation and participation reported by workers vary across workplaces and by types of jobs. Workers with greater workplace needs are more desirous of unions but their preferences are fine-grained. Workers want unions to negotiate wages and work conditions and for protection but do not see unions as helping them progress in their careers. Many workers see no major workplace problems that would impel them to form or join unions. Unionism raises reported problems while firm-based non-union channels of voice reduce reported problems, but unions that work effectively with management and those that have sufficient strength to be taken seriously by management reduce the number of problems at union workplaces.

JEL Classification: J51, J52, J53, J58

Key words: trades unions; worker voice; employment relations

This paper is produced under the 'Future of Trade Unions in Modern Britain' Programme supported by the Leverhulme Trust. The Centre for Economic Performance acknowledges with thanks, the generosity of the Trust. For more information concerning this Programme please e-mail [future\\_of\\_unions@lse.ac.uk](mailto:future_of_unions@lse.ac.uk)

**Acknowledgements**

Alex Bryson thanks the Wertheim Fellowship at the Harvard Law School and the National Bureau of Economic Research for financial support.

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Published by  
Centre for Economic Performance  
London School of Economics and Political Science  
Houghton Street  
London WC2A 2AE

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ISBN 0 7530 2027 0

## Introduction

Throughout most of the post-War period trade unions were the predominant institution delivering worker voice in Britain. Labour relations were voluntaristic but public policy gave tacit support to unionisation, and union density was high, reaching 65% of workers in establishments with more than 25 employees in 1980, according to the Workplace Industrial Relations Survey. Lay representatives, rather than paid union officials, delivered most union services at workplaces where firms recognized unions. In Britain, when an employer agrees to negotiate with a union over pay, the union is said to be 'recognised'. If the firm recognises the union for pay bargaining, it will generally recognise the union for negotiations over non-pay terms and conditions, and procedural matters such as grievance handling. In the 1960s and 1970s collective bargaining agreements were often struck above the workplace-level at the level of organisations, sector, or nation. At the same time there was considerable labor unrest at workplaces, where shop stewards and militant workers had considerable independence in calling wildcat strikes (Royal Commission on Trade Unions and Employers' Associations, 1968). This system began to change with the unravelling of the Social Contract between Labour and the unions in the 'Winter of Discontent' in 1979, and disappeared during the Thatcher and Major years that followed.

Under Prime Ministers Thatcher and Major the Conservatives "set about dismantling the props to joint regulation and restricting the power of trade unions" (Millward et al. 2000, 230). Legislation limited the conditions under which unions could legally engage in industrial action, and made unions and their officials financially liable for unlawful actions. The government fought against striking workers in the Miners' Strike of the mid-1980s, and limited collective bargaining through the introduction of Pay Review Bodies in the public sector. The change in public policy undermined the perception that unions were the socially desired form of worker representation in dealing with employers.

In the early 1990s the government outlawed the closed shop, which required workers to join a trade union as a condition of employment. This made it difficult to maintain union density in unionized workplaces because non-members could free ride on union-negotiated improvements to pay and conditions, while the unions could not 'privatise' the public goods they produced in the workplace to deliver them to members only. As a result the proportion of non-members grew so that, at the turn of the twenty first century, around 40 percent of workers in unionized establishments were free riders<sup>1</sup>.

From the mid 1980s to the early 2000s the proportion of employers who used collective bargaining to determine pay fell, and collective bargaining was decentralised to workplace level (Millward et al. 2000, chapter 6; Kersley et al. 2005). Between 1984 and 1998, the proportion of workplaces with 25 or more employees with recognized unions dropped from 67 percent to 42 percent. Less than one-third of this decline was due to changes in the distribution of workplaces among employers (Bryson et al., 2004).<sup>2</sup> The decline in unionization did not, however, increase the proportion of workplaces with no worker voice. Instead, there was a growth of non-

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<sup>1</sup> In the 2001 BWRPS 36 percent of workers who said there was a union they could join at their workplace reported that they were not members. In the 1998 WERS, 44 percent of workers in unionized settings were not members.

<sup>2</sup> Between 1998 and 2004 union recognition stabilized among workplaces with 25 or more employees. However, among smaller workplaces with 10-24 employees it fell from 28 to 18 percent (Kersley et al. 2005).

union voice institutions, creating competition in the market for representation and participation. Management in new establishments chose direct communication as their preferred voice regime (Bryson et al. 2004). The proportion of the work force in unions plummeted from around a half in the early 1980s to under one-third by 2003, by which time one-half of the British workforce had never been in a union (Bryson and Gomez 2005).<sup>3</sup> Direct communication between workers and management became the predominant institution for delivering worker voice (Millward et al. 2000; Kersley et al., 2005, 2006).

The victory of the Labour Party in 1997 shifted public policy in ways more conducive to unionization. The 1999 Employment Relations Act (ERA) made it easier for workers to organize unions, albeit through more formal procedures than traditional British voluntarism. The gradual acceptance of the EU directive on works councils, which began in 2000, guarantees a new form of collective voice at workplaces, which presents both an opportunity and challenge to unions. As a result, the decline in union membership and density began to stabilise in the mid 2000s, and density rose slightly from 2004 to 2005.

### **The situation circa early 2000s**

In 2005 union density was 29.0 percent. Membership rates differed by age, education, occupation, working hours, sector, and workplace size (Grainger, 2006). However, the growth of unionization among professionals in the public sector and falling unionisation among manual workers in the private sector eliminated historical differences in manual/non-manual unionization rates (Bryson and Gomez, 2002: 51-56). Similarly the concentration of women in the more heavily unionized public sector eliminated the historical difference in male/female unionisation rates.

Since there is no British legislation comparable to the American NLRA Section 8(2) that prohibits company unions and practices that might be construed as amounting to company unionism, the UK has a more heterogeneous set of options for representation than do US workers. Table 1 shows the proportion of workplaces with specified forms of voice for workers in 1998 and 2004. The data show that the percentage of workplaces covered by unionism fell from 33 percent to 27 percent between 1998 and 2004. Among workplaces that recognized a trade union, moreover, the proportion of unionized worksites with a union rep at their immediate workplace fell by ten percentage points. In the late 1990s, around 15 percent of employees worked in workplaces where there were non-union representatives (Bryson 2004). The workforce elected roughly half of these representatives while the remainder were volunteers or management appointees. Most non-union representatives were attached to joint consultative committees, the traditional method used by employers to consult with employee representatives. These committees, operating at the workplace or organisation level, provide a formal setting in which the employer can consult staff representatives, though they rarely engage in negotiation over terms and conditions (Cully et al. 1999, 101–102).

The table shows a mixed pattern of change in the prevalence of employer sponsored voice institutions from 1998 to 2004. The proportion of workplaces with problem solving groups involving non-managerial employees increases, but the proportion of workplaces having joint consultative committees and higher-level

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<sup>3</sup> Union density figures vary somewhat across surveys. The British Social Attitudes Survey (BSAS) indicates a fall from 49 percent in 1983 to 31 percent in 2001, with the trend closely resembling the Labour Force Survey data since it became available in 1989 (Bryson and Gomez 2002; Palmer et al. 2004).

consultative forums declined, possibly because employers anticipated that mandated works councils would supplant these forms of non union voice.

Where the prevalence of non-union voice continued to expand was in management sponsored forms of two-way communication between management and employees without the mediation of a representative – worker participation rather than representation. Managements increasingly held regular meetings with the whole workforce (‘town hall meetings’ in the US vernacular) and formed briefing groups or problem solving groups, where workers could voice their opinions and concerns to management. In addition, firms increased their ways of communicating (one-way) to workers, with many using email and intranet to send messages to employees.

But there was a sizeable drop in the proportion of workplaces disclosing information on many key issues, such as investment plans, and the financial position of the workplace and organization. Again, in some cases, this may reflect an expected transition to works councils covered by the EU Social Charter, which mandate some disclosures of information.

### **Union debate over forms of representation**

The growth of non-union channels of voice for workers has generated great debate within the union movement. Union ‘modernizers’ maintain that union success depends on the ability of unions to foster collaborative relations with employers by bringing ‘added value’ to the firm. Under John Monks, the TUC favoured partnership agreements between employers and unions, without great concern that this strategy might undermine the independence of trade unions. The government’s Certification Officer establishes whether a union is truly independent of the employer, as defined in statute.<sup>4</sup>

Other trade unionists are dubious about the benefits of ‘partnership’ for unions and their members. The election of more radical union general secretaries in some of Britain’s largest unions in the 2000s gave momentum to those disillusioned about the gains made through partnership or collaboration with the Labour government. The new leaders, called ‘the awkward squad’ by some, favor a more militant unionism that questions the gains to be made through collaboration with employers (Charlwood 2004).<sup>5</sup> Academic researchers have found the benefits of partnership to be minimal (Kelly, 2004). From the perspective of our analysis, however, the critical issue is less how union leaders or researchers assess the competing institutions of voice, and the virtues or vices of union-management cooperation than how workers view these institutions and relations.

### **Data and method**

To assess the preferences of British workers among union services, firm-based institutions, and non-union works councils, we analysed data from the 2001 British Workplace and Representation and Participation Survey (BWRPS) and the 1998

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<sup>4</sup> Section 5 of the Trade Union and Labor Relations (Consolidation) Act 1992 defines independence. If the union is deemed independent it receives a certificate of independence in accordance with Section 6 of the Act. Some employer-specific bodies known as staff associations do attain independent status, whereupon there is little to distinguish them from trade unions.

<sup>5</sup> Some on the political Left, favor greater union political engagement to produce a more union-oriented agenda for future Labour governments. The New Labour Party case for unionism has been on its value added economic benefits. While the Left characterises voice as a human right, enshrined in international conventions, which has yet to be recognised as such by employers (Coats 2004), union advocates must make the case that union voice is the best type to guarantee equity.

Workplace Employment Relations Survey (WERS). The BWRPS asked some 1300 randomly chosen British workers about their situation at work and their attitudes toward unions and other labour institutions (Diamond and Freeman 2001). The WERS asked managers, employees, and union representatives about labor relations policies and practices (and other issues) at 2191 randomly selected workplaces. Appendix A describes the two surveys.

Both surveys ask workers about the problems they face at their workplace and the perceived effectiveness of unions or management in dealing with these problems. We combine the responses of individuals to similar questions into single measures designed to reflect the underlying or latent factor associated with the questions. For instance, we summarize the responses of workers to questions about workplace problems, difficulties with management and gaps between their desired and actual influence on decisions into a single measure of “needs” for representation or participation comparable to thermometer scales of temperature, with higher values reflecting greater workplace problems or needs.

We focus on summary measures rather than on single variables for three reasons. First, because the summary measures reduce the danger that the wording or placement of particular questions will create measurement error or bias in responses. Conceptually, there is a near infinite list of questions on a particular issue, from which surveys select a handful. Averaging across the questions in a particular survey provides a more reliable and hopefully valid measure of the real situation or attitudes than any single question. Second, we focus on summary measures because they facilitate comparisons of results across surveys. The BWRPS and WERS ask different questions about workplace problems or needs. Summary variables subsume the differences into a single measure, which provides a natural way to compare responses. Third, we focus on summary measures because they make it easier to discern patterns associated with workplace relations and worker attitudes than seriatim analysis of individual questions.<sup>6</sup>

### **Quantifying Employee Needs**

The BWRPS asked employees about the workplace factors likely to generate employee needs for representation or participation in four ways. It asked about: (1) the influence workers had and wanted in different workplace decisions; (2) the grades workers give to management in dealing with workplace issues; (3) the presence of particular problems at the workplaces; and (4) general workplace climate. We coded responses to questions in each of these areas into 0/1 variables, where 0 means no problem/need and 1 means a problem/need.

In the influence questions, we said there was a problem when workers wanted “a lot” of influence in an area but did not have it. British workers showed substantial needs/problems in determining pay raises and deciding perks and bonuses – traditional trade union domains (Diamond and Freeman 2001).

On the grade questions, the survey asked workers to grade management with a school grade scale from A to F. We coded D/F grades as a 1 for problem or need. Few British workers give management D/F on understanding and knowledge of the business but many gave such grades in granting pay increases, sharing authority, and making work interesting.

On the questions that asked workers to identify unfair practices, the most

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<sup>6</sup> For more information on the statistical tests underpinning these summary measures see Bryson and Freeman (2006).

common unfair practice was preferential treatment by management or senior staff; and the second most common was payment of unfair wages; followed by unfair dismissal or discipline and bullying, while discrimination was the least cited problem. Taking all of these questions, 39 percent of workers cited at least one unfair practice area as being a problem at their current workplace.

The questions about general workplace climate included trust in management, security of employment, pleasantness of jobs, and employee management relations. Again, we counted a problem or need only when workers reported that an area was particularly bad.

Altogether, we used twenty-six different BWRPS items to measure problems at workplaces. Because the BWRPS had a split sample design, however, it asked some items of only half of respondents, so that we have observations for each individual on only 23 items. We constructed a “Workplace Needs” (WN) measure by counting the numbers of times workers reported a problem/need. The WN variable can vary from zero (no problems reported) through 23 (worker reports problems for every item).

Following a similar strategy, we examined the WERS questions that related to problems or needs at the workplace. We took responses on 13 different questions, and coded them 1 if workers reported a problem or were dissatisfied with their situation and 0 otherwise. We then summed the responses to form a single scale of workplace needs. The WERS scale takes the value 0 when workers report no problems and 13 when they report the maximum number of problems.

Appendix B gives the exact items used in both of our indices.

Our analysis yielded five findings about the needs/problems workers have at their workplace and the factors that influence them.

*Finding one: workplace needs are not normally distributed*

Figure 1 graphs the distribution of the Workplace Needs variables from both data sets. Both distributions show a concentration of observations at the lower end of the scale. The modal score for the BWRPS index is zero, given by 23 percent of workers. Fifty-four percent of workers report problems on less than 3 of the items, while just ten percent of workers accounted for 52 percent of all the reported problems. The WERS index shows comparable non-normal bunching of responses at zero and a relatively thick tail of responses at higher values.

If the distribution of problems was generated by the random arrival of problems with a given probability for all workers we would expect our 13 or 23 items to generate a bell-shaped curve. Responses would be bunched around the mean value and tail off at lower and higher values. The distributions in Figure 1 follow a different pattern, with most workers having few or no problems and some workers having many problems. The reason the distribution takes on the non-normal shape is simple: the needs of workers on different items are not independent. Knowing that a worker reports needs on a particular item gives information about their likelihood of reporting needs on other items.

There are three possible reasons for the non-independence of the reports of needs. One possibility is that it reflects workers’ personal characteristics – their age, gender, years of schooling, for which we have measures, or their unobserved psychological attributes, for which we no measures. In this case a given worker may see more problems or get into more problems than another worker in the same objective situation. The individual nature of reported needs is unlikely to translate into a collective response.

The second possibility is that the non-independence reflects attributes of the workers' industry or occupation or sector of work, which most workers in that area would report. If this were the case, the data would reveal a concentration of needs in particular parts of the labor market.

The third possibility is that the non-independence of needs reflects labor practices at particular workplaces. A workplace with considerable labor-management conflict might, for example, generate lots of problems while one with good labor relations might generate few problems. In this case, when a worker reports many needs, they are reporting what others would also report, which is likely to translate into a general desire for representation at a workplace.

To examine the impact of demographic factors, and of job and industry on the needs reported in the BWRPS and WERS, we estimated linear regression equations relating our WN measure to measures of types of work and workplace, and to age, gender, and other personal attributes. To measure the extent to which workplaces per se generate needs/problems, we made use of a unique aspect of the WERS design — that it obtained worker reports on workplace conditions from multiple worker respondents at the same workplace. In these data the effect of a workplace on needs/problems will show up in many workers at the same workplace reporting many or few needs.

Our analysis of the differential impact of industry or occupation versus demographic characteristics of workers yields:

*Finding two: Needs/problems are more related to industry or occupation of work than to the demographic characteristics of workers.*

The easiest way to summarize the evidence behind finding 2 is to compare the variation in the number of needs among industries/occupations with the variation across workers with different demographic characteristics. If the number of needs varies more by industry or occupation than by demography, needs would be more strongly associated with attributes of workplaces than with attributes of individuals. This was the case in both the BWRPS and WERS. For instance, Figure 2 shows that in the BWRPS, the industry with the highest number of needs was manufacturing, where workers reported 5.7 needs while the industry with the lowest number of needs was hotel and catering, with 2.3 needs – a difference of over two to one. Similarly, among occupations, operatives had an average of 6.0 needs while managers reported just 2.3 needs. By contrast, there was a much smaller difference in the mean number of needs by gender (4.1 needs for men vs. 3.1 needs for women; or by age (3.5 needs for workers 25-34 vs. 2.9 needs for workers 55-64).<sup>7</sup>

Our analysis of the reports on workplace problems by multiple respondents in the WERS yields:

*Finding three: Workplaces generate different needs for employee representation or participation.*

To see whether the needs/problems that workers report are workplace related we created a data file from the WERS that gave the number of needs reported by 25,451 employees at 1759 workplaces for which we had valid data – giving us an average of 14.5 worker reports on needs per workplace. Using several statistical tests, we found

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<sup>7</sup> Multivariate statistics, such as F-tests of the contribution of these different sorts of factors, support this evidence. See Bryson and Freeman (2006).



that the workers at a given workplace gave sufficiently similar reports of numbers of needs to conclude that workplaces themselves vary in their creation of needs. To demonstrate this without complicated statistics, we tabulated the average number of needs for each of 1759 workplaces and ranked the workplaces by average needs. This tabulation shows that workplaces in the upper ten percent of the distribution of needs averaged 6.23 needs on the WERS scale from 0 to 13; whereas workplaces in the lower ten percent of the distribution of needs averaged 0.74 needs (See Figure 2).<sup>8</sup> Such wide variation by workplace makes a *prima facie* case that the differing labour situations at workplaces are a key factor for worker reports of problems or needs.

### **Unions and Human Resource Policies**

To what extent can we identify the impact of unions and human resource policies on workplace needs?

A priori, it is unclear whether unionism will increase or decrease perceived needs/problems. As the traditional worker organization for dealing with workplace problems, unions could make workers more aware of problems and thus more likely to report problems even if there are no more problems at their workplace than elsewhere (Freeman 1978; Freeman and Medoff 1984). Unions might also be associated with more problems if workplaces with many problems induce workers to unionize and the union fails to resolve the problems, leading problems and unionism to be positively associated for a very different reason. On the other hand, if unions help solve workplace problems workers at sites with recognized unions may report relatively few problems.

Similar considerations apply to the potential association between management human resource practices and numbers of reported problems. Absent a human resource office or an open door policy, workers may ignore some problems because there is no way to resolve them. In the presence of mechanisms to discuss problems and to deal with them, workers may notice more problems. However, if the institutions solve those problems, they may report fewer problems.

To determine how union status and human resource practices affect the number of problems, we regressed the number of problems on measures of unionism and HR practices, along with other potential determinants of problems. Using the WERS, we also compared the average number of needs at workplaces by union status and HR practices. Given the crosscurrents of possible effects, it is perhaps not surprising that we found a complex pattern of relations.

#### *Finding 4: Unionized workers report more problems except when they say they have a strong union that has a good working relation with management*

Because there are non-union as well as union members at sites where management recognizes unions and at sites where management does not recognize unions, we compare numbers of problems by the union status of workplaces and by the membership of workers in unions as well.

In the BWRPS, workers at unionized workplaces reported 4.20 problems while workers at non-union workplaces reported 3.08 problems. Adding diverse regression controls barely changed the difference between the two types of workplaces. Moreover, at both union and non-union work sites, union members reported more problems/needs than non-union members. At unionized workplaces,

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<sup>8</sup> Alternatively, average needs at the 10<sup>th</sup> percentile were 1.25, whereas average needs at the 90<sup>th</sup> percentile were 5.09.

members reported 4.69 problems while non-members reported 3.26 problems. At non-unionized workplaces, members reported 5.04 problems while non-members reported 2.95 problems. Similarly, in the WERS, whether we look at unionization of the workplace or union membership, unionism is associated with more reported workplace problems. The mean number of problems reported by workers in unionized workplaces in the WERS was 3.33 while the mean number for those in non-unionized workplaces was 2.77 (See Figure 2) Across all sites, union members reported 3.68 workplace problems compared to 2.72 reported by workers at non-union sites.<sup>9</sup>

These contrasts do not, however, tell us whether unionism raises the reported numbers of problems or whether unions organize workplaces or workers with more needs, nor whether, faced with a given set of problems, unions help resolve them, per the “value added” notion of union contribution to the firm. To examine this issue, we compared the problems at unionized workplaces with different reported union-management relations and by different levels of union power. In BWRPS, workers who said that unions and management worked in partnership reported 3.34 problems whereas workers in unionized workplaces where they did not think management and unions worked in partnership reported 5.18 problems. In WERS, workers who said that “management takes the union seriously” reported 2.53 problems whereas those who said that management does not take the union seriously reported 4.71 problems (Figure 2). In addition, workers who report that the union is effective at their workplace report fewer problems than workers who say that the union is not effective; and workers who say the union has just enough or too much power report fewer problems than do workers who say the union has too little power. The implication is that when employers treat unions seriously or there is a balance of power at the workplace so that unions are effective, unionization reduces problems. In this situation, cooperation also reduces perceived problems.

*Finding 5: Non-union channels of voice reduce workplace problems/needs*

The two data sets contain information on different HR practices, but they show consistent results. The BWRPS asked workers about an open door policy, joint consultative committees, a grievance system, and a human resource department. Regression analysis of the number of needs/problems on the presence of these practices (and other determinants of needs/problems) shows that joint consultative committees and open door policies reduced the number of needs, while the other two had little or no effect. The WERS asked about the presence of joint consultative committees, grievance procedures, the presence of an HR specialist, quality circles, regular meetings with management, and monthly team briefings. Regression analysis shows that regular meetings with management and the presence of quality circles reduce the number of workplace needs, while the other institutions have little or no effect. Indeed, in some calculations, some of these practices had modest positive effects on the number of needs/problems. While the two surveys differ in their estimates of the impact of joint consultative committees on needs, the overall pattern of results supports the generalization that non-union channels of voice reduce problems, albeit with uncertainty about the specific forms that accomplish this.

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<sup>9</sup> Given that the needs variable averaged 3.57 in the BWRPS and 3.10 in the WERS, the differences between the number of problems in union and non-union workplaces in the two surveys was larger in the BWRPS. In that survey, workers in non-union workplaces score 86 percent of the overall mean on problems, whereas those in union workplaces score 118 percent of the mean – a difference of 32 points. In WERS, workers in non-union workplaces score 89 percent of the mean while workers in union workplaces score 107 percent of the mean for all WERS workers – a difference of 18 points.

### *Summary*

The problems/need for representation and participation reported by workers vary across workplaces and by types of jobs. Unionism raises reported problems while firm-based non-union channels of voice reduce reported problems, but unions that work effectively with management and those that have sufficient strength to be taken seriously by management reduce the number of problems at union workplaces.

### **Workers' Choice of Institutions for Voice**

As noted the UK has a diverse set of institutions through which workers can seek to resolve workplace problems. Our analysis posits that the way workers want to deal with the problems depends on the type of problem they face, the number of problems/needs, and the efficacy by which they believe the different institutions can resolve them. The evidence yields six findings that illuminate these relationships.

#### *Finding 6: Worker preferences for collective or individual voice depend on the problem and on their union status*

Preferences between collective voice and individual voice in dealing with workplace problems are potentially critical to the choice of workplace institutions. Some workers have a collectivist bent, preferring to deal with problems with fellow employees. Other workers prefer to deal with workplace issues by themselves. At the same time, there are distinctions between problems that affect an entire workplace and thus may be more readily resolved by collective action and problems that can be resolved individually by one-on-one meetings with management.

To see how workers differ in their collectivist or individual orientation, the BWRPS used a split sample design. It asked half the sample whether they agreed with the statement: "In the long run, the only person one can count on at work is yourself"; and asked the other half of the sample "Working with others is usually more trouble than it is worth". Persons who agree with the statements have an individualist orientation, while those who disagree have a collectivist orientation. Almost half of respondents count as individualist on the first question, whereas only 19 percent count as individualist on the second question. One interpretation of this huge difference is that it reflects the fact that many people who count on themselves in the long run appreciate that it may be fruitful to work with others in the short run. There was virtually no difference between union and non-union workers in their responses to these questions.<sup>10</sup>

To see whether workers view specific problems as being more amenable to individual voice or collective voice, the BWRPS used another split sample question. It asked half of the sample whether they preferred to deal with problems through a group of colleagues or fellow workers or on their own and asked the other half whether they preferred to deal with problems with a trade union/staff association representative or on their own. The responses show differences by issue and also by union status. In both designs, workers preferred solving problems relating to promotion and training and skill development on their own and preferred to deal with problems of discrimination through a trade union. Union members favoured collective solutions to negotiating salary and working hours and conditions, while non-members preferred negotiating on their own. Moreover, regardless of the question, union

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<sup>10</sup> On whether working with others was usually more trouble than it is worth, 21 percent of union members agreed and 18 percent of non-union members agreed. On whether in the long run the only person one can count on at work is yourself, 45 percent of members agreed compared to 48 percent of non-members.

members preferred a more collectivist solution. When non-members desired collective action, moreover, they favoured using colleagues or a group of fellow workers rather than a trade union or staff representative, while union members sometimes preferred the union and sometimes preferred colleagues or a group of fellow workers.

The finding that there is little difference in collectivist orientation between union and non-union members and large differences in their desire for union solutions to specific problems suggests that the experience of unionism affects preferences for institutional solutions.

*Finding 7: Non-union members at unionized sites and workers at non-union sites desire some union services.*

In Great Britain approximately 40 percent of workers at a workplace with a recognized union do not join the union. Do these “free riders” reject the union option utterly or do they have some desire for union representation? The BWRPS asked respondents about their desire for union services in six areas (line 1 of Table 2). Three-quarters of non-members at union workplaces expressed desire for union services on at least one item, and over half wanted union representation on at least 3 items. Ten percent of the non-members said that they were very likely to join a union if asked and 26 percent said that they were quite likely to join a union if asked. So why don’t they join? One reason is that the union does not ask them: 56 percent of non-members eligible to join a union at their workplace say they were never asked to join; many of these workers were young or recent hires to the establishment. Since these workers could have asked members how to join if they “really wanted to”, the BWRPS went further to ask non-members to assess the factors that contributed to their remaining non-union.

Sixty-nine percent of non-members cited as either ‘quite important’ or ‘very important’ at least one of the four reasons that the survey offered to explain their behavior.<sup>11</sup> Thirty-eight percent said that a quite/very important reason they did not join was because they perceived that the ‘union doesn’t achieve anything’. Nearly the same proportion (35 percent) of non-members said that a quite/very important reason was that they got the benefits and did not need to pay for membership – classic free rides. Non-members also identified pecuniary and non-pecuniary costs of membership. Thirty percent said that they were deterred from joining by a membership fee that they regarded as too high, while 28 percent said they had not joined because ‘people doing my job don’t join trade unions’.

What about workers in workplaces without a union? The BWRPS asked them about their desire for union representation on six separate items. Six-in-ten said that they wanted a union to represent them on at least one item, and one-in-ten wanted union representation on all six items (see the third column of Table 2). Sixteen percent of non-members in non-unionized workplaces said they were very likely to join a union if one existed at their workplace and another 34 percent said they were quite likely to join.<sup>12</sup> These figures are larger than the comparable figures for non-members at union work sites. One reason is that in union workplaces, non-members

<sup>11</sup> Only 10 percent of non-members say all four reasons were ‘not at all important’ so that, for a small minority, the question is not getting at their reasons for not joining.

<sup>12</sup> These data are consistent with data from the 1998 British Social Attitudes Survey (BSAS) which found 39 percent said they would be ‘very’ or ‘quite’ likely to join a union if asked (Bryson and Gomez 2003a). BSAS 1998 asks employees in non-unionized workplaces: ‘If there were a trade union at your workplace, how likely or unlikely do you think you would be to join?’ with pre-coded answers ranging from ‘very likely’ to ‘not at all likely’.

are a selected group with less desire for unions. Another reason relates to the way the survey asked workers in non-union sites about joining a union. It posed a scenario in which a group of workers at their workplace had formed a union and asked the individual to join,<sup>13</sup> which makes the cost of organizing the institution lower than it would be in reality. Taking this criticism a step further, our next result suggests that we should view the responses to the question about “likely to join” as possibly exaggerated.

*Finding 8: Workers doubt unions’ ability to change workplace outcomes*

A potentially important element in workers’ choice of unions as their preferred labor market institution is whether they believe a union can deliver the services they want. The BWRPS asked workers in unionized settings whether they thought their workplace would be better or worse without the union, whereas it asked workers in non-union settings whether they thought their workplace would be better or worse with a union. If unionized and non-unionized workplaces operate equally effectively with respect to workers and if workers favor whatever status quo works effectively, the proportion of workers in a union setting saying their workplace would be better absent the union would be about the same as the proportion of workers in a non-union setting saying their workplace would be better with a union. The evidence in line 4 of Table 2 rejects this “null hypothesis”. At unionized workplaces the majority of workers believe that the workplace would be worse if there was no union while few believe that the workplace would be better. By contrast, at non-unionized workplaces, most workers think that the union would make no difference, though more think the workplace would be better with a union than think it would be worse. The implication is that while workers in unionized workplaces believe that unions are doing a good job, workers at non-union sites are not convinced unions would make enough of a difference to attract them.<sup>14</sup> If we define British workers truly likely to join unions as those who report they are very likely to join *and* who believe a union would make the workplace better, 10 percent of non-union employees in non-union workplaces would be classified as wanting unionization. This finding, coupled with declining union density in workplaces with unions available raises questions about just how big any union representation gap is in Britain (Bryson and Freeman, 2006).

*Finding 9 Workers see works councils and unions as complements*

New EU-inspired legislation requires employers to inform and consult their workers regularly about workplace policies and issues through works councils. Prior to the legislation, most workers said they favored such requirements (Diamond and Freeman (2001), Exhibit 20). If workers see these new institutions as substitutes for unions, the union share of the market for voice in the UK could fall over time. If workers see these new institutions as working better with unions, they could spur a renaissance of unionism in the UK.

Line 4 of Table 2 shows that most workers see works councils as complementary to unions, which is how councils and unions have operated in much of Continental Europe. Three-quarters of workers believe their workplace would work better with some form of collective representative worker voice. Two-thirds think the workplace would be better with some works council. And in two-thirds of these cases

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<sup>13</sup> See footnote 2 to Table 2.

<sup>14</sup> The desire for union representation is strong among union members. Only one-in-twenty members do not want union representation on any items, while nine-in-ten want union representation on at least 3 of the 6 listed (column 1 of Table 2).

(nearly half of all workers) workers want a combination of works council and union. Union members strongly prefer the combination of a works council and union to other options. Non-members working in workplaces with a union also prefer the combination of works council and union to other options.<sup>15</sup> However, non-members have a less favorable view of collective representation and where they do favor collective representation, prefer works councils over unions.

In addition, over a third of non-members said that they wanted neither institution at their workplace and 30 percent said that they wanted a works council only – which suggests that over half of non-union workers would not want unions if works councils were widely available. On the other hand, while just 5 percent of non-members see a union by itself as the best way of dealing with an employer, 29 percent of non-members made a combination of works councils and trade unions their first choice. This suggests the advent of works councils creates an opportunity for unions to expand their influence in the workforce.

*Finding 10: Workers with lots of problems want unions*

The link between worker needs and their preference for institutions lies at the heart of our model of what workers want in the form of voice. The notion is that workers identify workplace problems, which they attribute to management, and seek solutions in some form of independent voice, of which unionism is the strongest form if they believe that the union can solve the problems.

The evidence shows that the number of problems/needs is associated with the desire for unionism. One way to see this is to estimate how the number of problems affects workers' preference for having a works council and a union, which is arguably the strongest form of representation for workers, relative to having only a union, which is arguably the second strongest form, relative to having only a works council, relative to having no worker institution. In the BWRPS the greater the number of needs, the greater the desire for the stronger forms of representation: the mean number of needs is 4.71 for those wanting a combination of works council and union, compared with 3.68 for those wanting a union only, 3.01 for those wanting a works council only, and 2.11 for those with no desire for collective representation. This relationship holds when controlling for other factors (Bryson and Freeman 2006). Separate analyses of workers in the unionized and non-unionized sectors show that in the union sector, those with more needs prefer union involvement, but are indifferent as to whether the union operates in conjunction with a works council; and that the more effective a union is in delivering services the more workers favor the union-only option.<sup>16</sup> Overall, however, union members prefer the union option over the union plus works councils option. Among non-union workers more needs implies desire for works councils and a union.

The number of problems workers have also affects their desire for a switch in the union status of their workplace. Multivariate analyses of BWRPS reveal that, in unionized workplaces, workers with greater needs are more likely to say that the workplace would be worse off if it lost union representation than workers with fewer needs. Similarly, in non-union workplaces, those workers with the greatest needs are

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<sup>15</sup> This supports the contention that unionization is an experience good – something that workers are more likely to value having experienced it (Bryson and Gomez 2003b).

<sup>16</sup> Union effectiveness in delivering terms and conditions is measured using a scale based on employee ratings of their ability to win fair pay, promote equal opportunities, work with management, make work interesting and protect workers (Bryson and Freeman 2006).

the most likely to say the workplace would be better with a union.<sup>17</sup>

Further analyses of the BWRPS show that needs increase worker desire for unions to negotiate for them and to protect them but do not affect workers' desire for the union to help on issues of career promotion.<sup>18</sup> At the same time, the presence of a union on-site that the worker can join increases the worker's desire for union representation in all three areas. Finally, analysis of WERS data shows that greater needs raise worker desires for unions in the areas of representation in pay, making complaints, and in disciplinary matters. Moreover, the effect of problems on desire for union representation is larger for workers in non-union workplaces than for those in union workplaces.

*Finding 11: Union effectiveness and managerial policies influence the desire for unions, independent of needs*

Workers are more likely to choose unions when they believe unions “make a difference to what it is like to work here” and where unions “take notice of members’ problems and complaints”. The managerial policies that significantly affect the desire for union representation are grievance procedures, joint consultative committees and the presence of an HR specialist, all of which are *positively* related to the probability that a worker wants union protection. There are two ways to interpret this. One possibility is that management introduces these policies because workers are pro-union but that the policies do not noticeably reduce that tendency. Another is that the policies work sufficiently poorly that workers see unions as a way to make them work better.

There is likely, moreover, to be a significant feedback relation between union effectiveness and managerial policies. When a union has real workplace power, management is likely to treat it as a partner (Boxall and Haynes 1997), which in turn will increase union effectiveness and the desire of workers for unions.

*Finding 12: UK workers want cooperation not confrontation*

Workers and management can interact conflictually or cooperatively. Unions can follow the “modernizers” agenda and seek cooperative relations with management including partnership arrangements with firms without accepting the management agenda, or they can raise red flags in confrontation in the Arthur Scargill tradition. Management can also choose cooperation or confrontation. It can take union concerns across a variety of issues seriously or try to minimize the areas where it deals with unions.

For their part, the vast majority of workers prefer a worker-based organization that “work(s) with management to improve the workplace and working conditions” to an organization that declared its main function as “defend(ing) workers against unfair treatment by management.” Seventy-one percent of members and 73% of non-members in BWRPS preferred the organization that worked with management to the organization that made defending workers its main function. Union members prefer

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<sup>17</sup> Studies that link job dissatisfaction to desire for unionization are consistent with these results (e.g. Leigh (1986)).

<sup>18</sup> The survey asked split sample questions. Half of the survey was asked about negotiating salary and half about negotiating hours and conditions, which we combine into a want for union negotiating; half was asked about bullying and half about sexual or racial discrimination at the workplace, which we combine into a want for union protection; and half was asked about promotion or training and half about skill development, which we combine into want for union representation on career development.

this even though most regard defending workers against unfair treatment to be one of the principal goals of their union. One reason for the desire for cooperative relations is that the number of workplace problems falls when management and their union work cooperatively.<sup>19</sup> Another reason for the desire for cooperative relations is the stress and strain that can come to workplaces when management and unions are at loggerheads. A third reason is that, when unions and management are at loggerheads, a poor climate of employment relations ensues, which can affect unions' ability to deliver for workers (Freeman and Medoff 1984).

Worker desire for unions and management to work cooperatively requires decisions by both parties. The union may choose a cooperative or "partnership" stance, but find that management treats this as a sign of weakness and exploits or rejects it. Only a union with sufficient bargaining power will be treated as a viable partner by management and will reduce problems/needs at the workplace. Similarly, management may choose a cooperative stance but find that the union treats this as a sign of weakness and uses it for its advantage.

### **Conclusion: What is being Done?**

Unions, employers, and government have responded to the emerging market for voice in several ways.

Trade union representatives have increasingly sought to recruit new members at their workplace. The 2004 WERS survey shows that 77 percent of union representatives attempted to recruit new members in the preceding year. Among those who specified the nature of the recruitment, 85 percent sought to recruit non-members at workplaces where unions negotiated pay and working conditions, thus addressing the critical free rider or "infill" problem, and virtually all of them (94 percent) said they had some success. A smaller proportion (39 percent) had attempted to sign up members in workplaces that had no collective bargaining (Kersley et al. 2005). The Trades Union Congress developed some innovative websites to exploit the reach and low cost of the Internet to improve union services to workers. The site [www.worksmart.org](http://www.worksmart.org) provides information to primarily non-union workers about their rights at work and ways to deal with workplace problems. The TUC also offers union health and safety representatives a weekly email giving the latest information on issues relating to occupational health and safety; and has created a special representatives only website that offers bulletin boards for union reps to discuss ways to deal with problems, [www.unionreps.org.uk](http://www.unionreps.org.uk) (Freeman 2005). Analysis of the unionreps website shows that it connects representatives from many unions and areas so that the collective wisdom of reps can be brought to bear on helping representatives deal with workplace problems at virtually zero cost (Freeman and Rehavi, 2006). In addition, using government legislation that provides financial support for educational activities, unions have created learning representatives at many work sites, to help workers find the appropriate ways to enhance their skills. Still, as Table 1 shows, WERS finds that the proportion of workplaces covered by unionism fell from 33 percent to 27 percent between 1998 and 2004 and the proportion of unionized worksites with a union rep at their immediate workplace fell by ten percentage points.

Surprisingly, perhaps, the spread of non-union voice channels has slowed in the UK. Table 1 shows an increase in the proportion of workplaces with problem

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<sup>19</sup> Freeman and Rogers (1999) examined the meaning of cooperative relations by asking US workers whether it involved management giving on some issues, sharing power and authority, or simply meeting pleasantly while keeping control. Workers interpreted cooperation as sharing at least some decisions rather than as a sham.



solving groups involving non-managerial employees but declines in the proportion of workplaces having joint consultative committees and higher level consultative forums, possibly because employers anticipate that these forms of non-union voice will be supplanted by mandated works councils. As suggested earlier, this may reflect an expected transition to works councils covered by the EU Social Charter, which mandate some disclosures of information.

Indeed, the biggest change in the way the UK provides voice to workers is through the Labour government's January 2000 reversal of the UK's "opt out" from the 1994 European Works Councils Directive that established works councils in large firms. In June 2001 the government acceded to the EU labor law that requires firms with more than 20 staff in a single work place or 50 staff in scattered sites to consult employees on major decisions. While UK legislation gave companies from three to seven years to adjust to the new legislation, the UK is joining the other EU countries in establishing a works councils-based industrial relations system. With the UK accepting works councils, British workers will have the widest choice of institutions of voice in the Anglo American world. They will be able to combine non-union mandated works councils with unionization if they desire, stick to unions with no complementary institutions, or select works councils or firm-sponsored non-union forms of voice. Firms will be able to influence workers' choice through their human resource policies, though some formal policies may increase worker desires for unions. The good news for unions is that many workers view unions as a desirable form of voice and that works councils and employer personnel practices do not have a pronounced impact in reducing worker desire for unionization. The bad news for unions is that worker doubts about union effectiveness, lack of union recruitment activity, 'free-riding' behavior, and the perceived direct and indirect costs of unionizing, have led many to believe that unions will not make their working life better.

Our analysis shows that workers with greater workplace needs are more desirous of unions but that their preferences are fine-grained. Workers want unions to negotiate wages and work conditions and for protection but do not see unions as helping them progress in their careers, though it is possible that union learning reps could change this perception. Many workers see no major workplace problems that would impel them to form or join unions. Effective union representation of workers is also dependent on management-union cooperation, which workers prefer to confrontation. However, unions cannot impose this on management and cooperation works only when unions are operating from a position of some strength.

The way unions and firms respond to the advent of mandated works councils to meet workers' desires will play a major role in determining the institutions of voice at British workplaces. Given the variety of workplace experiences and worker attitudes, we do not expect a single form will dominate the market for voice, as unions once did in the 1970s. If workers obtain what they want, we expect to see some combination of unionism and works councils in most UK workplaces. For this to occur, unions will have to deliver positive value on two fronts: providing tangible benefits to members while adding value to employers who can influence the costs/benefits of membership and the climate of employment relations. The union/works council combination is the institutional frame that offers the greatest potential for accomplishing these dual gains, but also a combination that makes greater demands on both unions and firms.

## Appendix A: WERS and BWRPS data sets

*The Workplace Employee Relations Survey 1998 (WERS98)* is a nationally representative survey of workplaces with 10 or more employees covering all sectors of the economy except agriculture. With weighting to account for complex survey design, survey results can be generalized with confidence to the population of workplaces in Britain employing 10 or more employees.

The analyses use two elements of the survey. The first is the management interview, conducted face-to-face with the most senior workplace manager responsible for employee relations. Interviews were conducted in 2191 workplaces with a response rate of 80 percent. The second element is the survey of employees within workplaces where a management interview was obtained. Self-completion questionnaires were distributed to a simple random sample of 25 employees (or all employees in workplaces with 10-24) in the 1880 cases where management permitted it.<sup>20</sup> Of the 44,283 questionnaires distributed, 28,237 (64 percent) usable ones were returned.<sup>21</sup>

*The British Worker Representation and Participation Survey (BWRPS) 2001* was conducted as part of the monthly BMRB Access Omnibus survey. Interviews were conducted using face-to-face computer assisted personal interviewing (CAPI) techniques. In total, some 3614 interviews were conducted as part of the Omnibus survey. Of these 1,355 people were eligible to take part in the BWRPS. The weighting schema used in this analysis ensures that demographic profiles match those for all employees in Great Britain aged 15 or over.

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<sup>20</sup> The probability of worker selection is the product of the probability of the workplace being selected and the probability of an employee being selected from within that workplace.

<sup>21</sup> The weighting scheme compensates for sample non-response bias detected in the employee survey (Airey *et al.* 1999: 91-92). For details of the first findings of the 2004 survey see Kersley *et al.* (2005).

## **Appendix B: Items used in BWRPS and WERS needs indices**

### ***The BWRPS index***

We developed this index by counting one point for each of the following: every time a respondent thought that ‘having a lot of influence’ was ‘very important’, but did not have ‘a lot of influence’ in relation to ‘deciding how to do your job and organize work’, ‘setting working hours including breaks, overtime and time off’, ‘deciding how much of a pay rise the people in your work group or department should get’, ‘the pace at which you work’, ‘deciding how to work with new equipment or software’, ‘deciding what kinds of perks and bonuses are offered to employees’. A point was added every time the respondent gave management a D, E or F grade in relation to ‘promoting equal opportunities for women and ethnic minorities’, ‘understanding and knowledge of the business’, ‘keeping everyone up to date with proposed changes’, ‘concern for employees’, ‘willingness to share power and authority with employees in the workplace’, ‘making work interesting and enjoyable’, ‘giving fair pay increases and bonuses’. A point was also added each time respondents reported one of the following problems at work: ‘workers being paid unfair wages’, ‘workers being disciplined or dismissed unfairly by management’, ‘preferential treatment by management or senior staff’, ‘bullying by management or fellow workers’, ‘sexual or racial discrimination’. Finally a point was added every time the respondent thought managers were not ‘understanding about employees having to meet family responsibilities’, disagreed with the statement ‘people here are encouraged to develop their skills’, disagreed with the statement ‘my job is secure in this workplace’, disagreed that ‘my job is interesting and enjoyable’, rated management-employee relations as ‘poor’ and was not satisfied with their ‘influence...in company decisions that affect your job or work life’.

### ***The WERS index***

We developed this index by counting one point for each of the following: disagree that ‘I feel my job is secure in this workplace’ (qa8c=4|5); dissatisfied with ‘the amount of influence you have over your job’ (qa10a=4|5); ‘the amount of pay you receive’ (qa10b=4|5); ‘the sense of achievement you get from your work’ (qa10c=4|5); ‘the respect you get from supervisors/line managers’ (qa10d=4|5); disagree that ‘managers here are understanding about employees having to meet family responsibilities’ (qb5b=4|5); disagree that ‘people working here are encouraged to develop their skills’ (qb5c=4|5); grading management as D or F in ‘keeping everyone up to date about proposed changes’ (qb8a =4/5) ‘providing everyone with the chance to comment on proposed changes’ (qb8b=4|5); ‘responding to suggestions from employees’ (qb8c=4|5); ‘dealing with work problems you or others may have’ (qb8d=4|5); ‘treating employees fairly’ (qb8e=4|5); and view relations between management and employees as poor or very poor (qb9=4|5).

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**Table 1: Percentage of Workplaces with Specified Labor-Management Voice Practices, 1998-2004**

	1998	2004
<b>Representative voice</b>		
Workplaces that recognize unions	33%	27%
Unionized workplace with union representative at own workplace	55%	45%
Problem Solving groups with non-managers	16%	21%
Joint consultative committees*	20%	14%
Consultative forum above workplace-level	27%	25%
<b>Communication</b>		
Meetings with entire workforce/team briefings	85%	91%
Regular Newsletters	40%	45%
E-mail	--	38%
Intranet	--	34%
Employee surveys	--	42%
<b>Information Disclosure over</b>		
Investment plans	50%	41%
Financial position of workplace	62%	55%
Financial position of organization	66%	51%
Staffing plans	61%	64%

**Source:** Barbara Kersley, Carmen Alpin, John Forth, Alex Bryson, Helen Bewley, Gill Dix, Sarah Oxenbridge "Inside the Workplace: first findings from the 2004 Workplace Employment Relations Survey (WERS 2004)", DTI/ACAS/ESRC/PSI, July 2005

**Table 2: Desire for union representation and union membership, BWRPS**

	<b>Unionized Workplace</b>		<b>Nonunion Workplace</b>	
	<b>Union, member</b>	<b>Non-member</b>	<b>Union Member</b>	<b>Non-member</b>
<i>1. Number of issues where desire union representation:</i>				
0	4	24		38
1-2	10	20		25
3-5	66	40		28
All 6	20	16		9
<i>2. Likelihood of joining union if asked:</i>				
Very likely	..	10		16
Quite likely	..	26		30
<i>3. Workplace Will work Better with Trade unions</i>				
Agree	67	34	54	20
Neutral	29	56	38	68
Disagree	3	11	9	13
<i>4. Workplace will work better with collective voice arrangement</i>				
Works council only	5	20	27	34
Works council and union	80	51	45	21
Union only	12	9	11	4
Neither	4	21	17	41

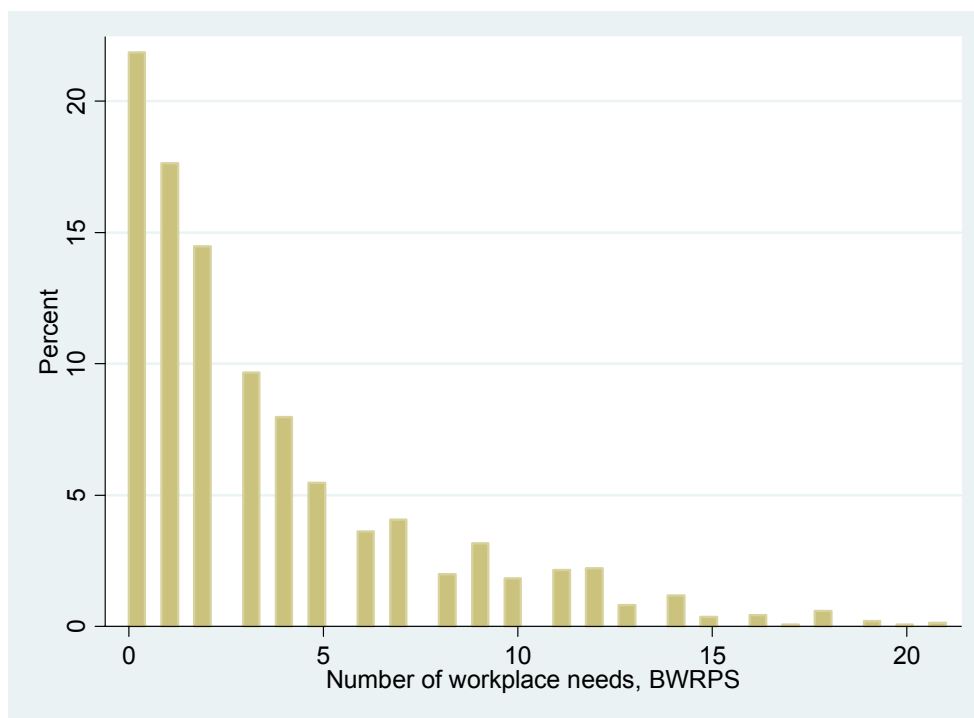
## Notes:

1. Figures in the upper panel show the percentage of workers preferring a 'trade union or staff association representative' to deal with the cited problems at the workplace, rather than deal with the problem 'by themselves'. The six items relate to sexual/racial discrimination, negotiating salary, negotiating working hours and conditions, promotion, bullying, and training and skill development.
2. To obtain the likelihood of joining, non-members in unionized workplaces were asked: 'If someone from the union at your workplace asked you to join, how likely is it that you would do so?' Non-members in non-unionised workplaces were asked: 'If a group of workers at your workplace formed a union and asked you to join, how likely is it that you would join that union?'

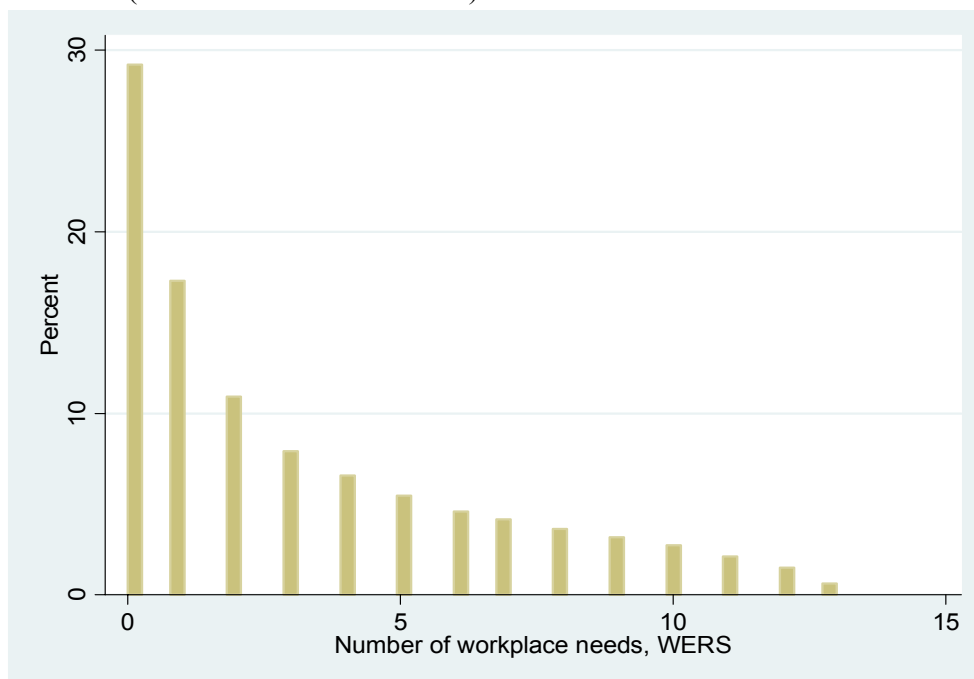


**Figure 1: The Distribution of Needs for Representation and Participation**

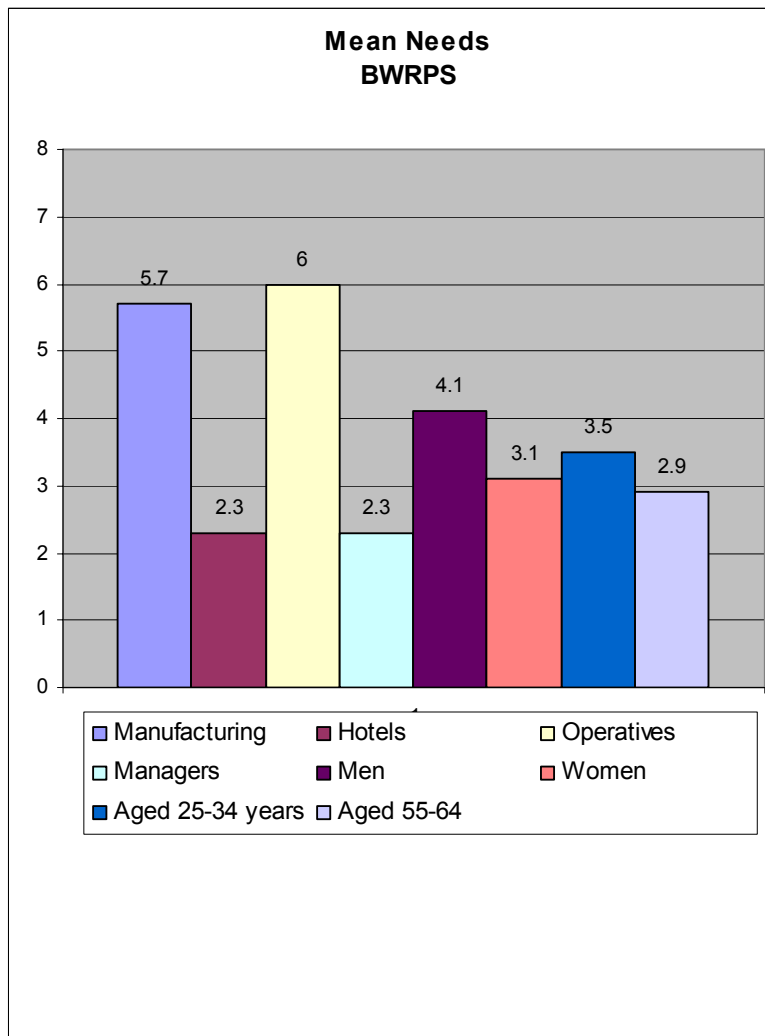
A. BWRPS(based on scale from 1 to 23)

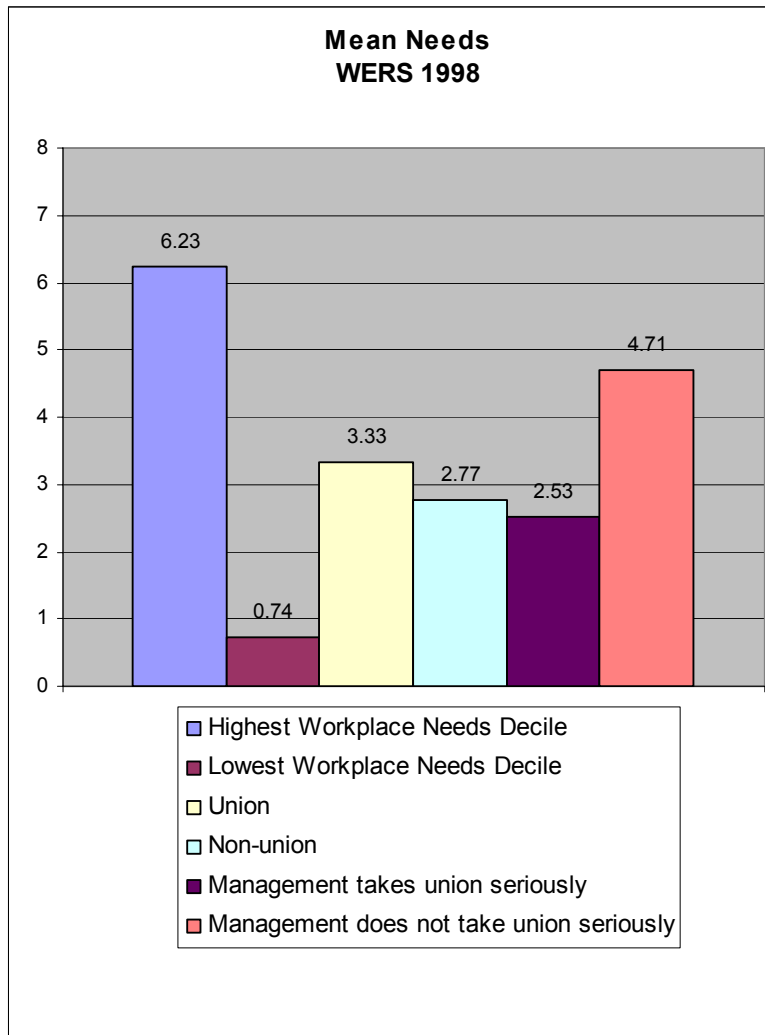


B. WERS (based on scale from 1 to 13)



**Figure 2 Worker Reports of Needs/Problems By Industry, Occupation, Demographic Characteristics, and Workplaces**





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